

Alberta Tourism Market Monitor

Travel and tourism indicators show mixed signals for the year-to-date

Total air traffic volumes contracted...

Total air passenger arrivals and departures at Edmonton International Airport continued its decline for the fifth consecutive month in 2015: 2.9 million passengers arrived or departed from this airport for the year-to-date (Jan – May 2015), a decline of 2.6% compared to the same period in 2014. A closer look at the breakdown of arrivals and departures shows that domestic and transborder air traffic bore the brunt of this decline with decreases of 3.5% and 6.4% respectively, while international air traffic registered strong growth in this period (15.6%). For Calgary International Airport, total air passenger traffic for the year-to-date (Jan – April) remained fairly flat compared to the same period in 2014 (0.2% increase). A look at the breakdown of passenger traffic shows similar results as Edmonton International Airport, with decreases in both domestic and transborder traffic (0.1% and 2.9%, respectively), but an increase of 9.1% in international air traffic. The oil price slump and anticipation of a recession in Alberta could be contributing factors, as businesses cut down on travel and layoffs continue in the energy sector.

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...and occupancy rates in major cities declined, while it improved in Alberta's resort areas

Hotel occupancy rates measured for most parts of Alberta showed declines in April 2015, as well as for the year-to-date. The occupancy rate of Edmonton was 67.7% in April, down 7.6 points compared to last April. The occupancy rate in Calgary was down 7.5 points to 64.1% in April. The overall occupancy rate in Alberta (excluding Resorts) was 58.6% in April, down 9.0 points comparing to the same month last year. Again, it could potentially be that business related travel in the province's two major cities and surrounding areas has been impacted negatively by the low oil price woes and low expectation of Alberta's economic performance. Alberta Resorts showed some resistance to these pressures with an occupancy rate of 48.9% for April, an increase of 2.7 points from April 2014 (and an increase of 4.1 points for the year-to-date).

National Parks visitation saw strong growth

Other tourism indicators, however, showed resilience, with positive and sometimes even impressive growth. Total receipts for food services and drinking places increased by 4.0% for the year-to-date (up to March 2015), while employment in the accommodation and food services industry expanded by 5.3% in May 2015, for an increase of 4.8% for the year-to-date (Jan-May 2015). National Park attendance for the three National Parks tracked all registered increases, with Banff welcoming 203,800 visitors in March (an increase of 10.7%) and 577,300 visitors for the year-to-date (an increase of 11.1%). Jasper National Park also saw growth, with 64,100 visitors in March 2015, an

increase of 7.4% from the same month in 2014. Visitation to Waterton Lakes National Park increased by 27% in May 2015, for a remarkable 27% growth for the year-to-date (Jan – March 2015). In addition, visitation at selected historic sites and museums increased by 3.5% in May 2015, and the growth for the year-to-date is 7.5%, on the back of augmented visitation numbers during the mild winter months experienced in the province.

The low oil price seems to have a mixed effect on Alberta's tourism industry. With the gloomy outlook for the energy sector, businesses are likely to cut down on business-related travel, which could impact the airline and hotel industry, especially in major cities (Figure 1 shows that both Calgary and Edmonton International Airports reported year-over-year decreases in April 2015). However, some indicators suggest that pockets within the tourism industry, especially those related to leisure are doing well, as shown by the strong growth in National Parks visitation (shown in Figure 2) and Alberta Resorts occupancy rates. Low gasoline prices could possibly encourage more road trips and car travel in general during the summer months.

Figure 1: Monthly Air Arrivals and Departures in 2015: Per Cent Change from 2014

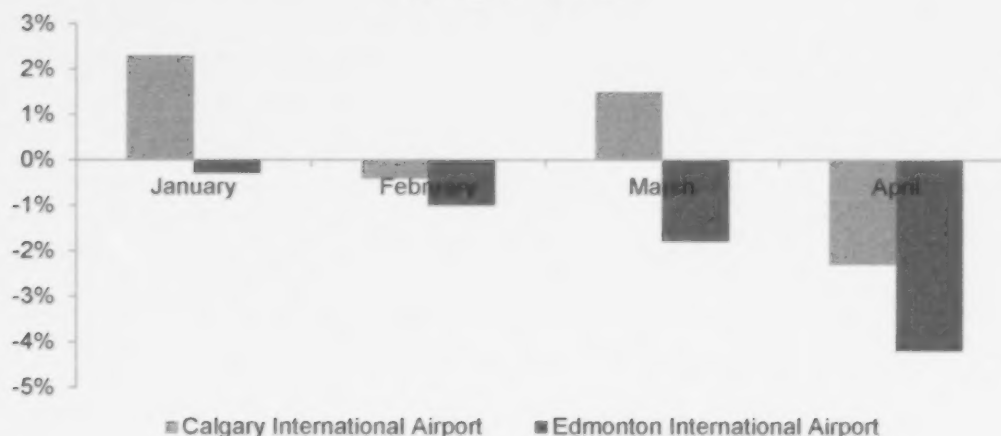
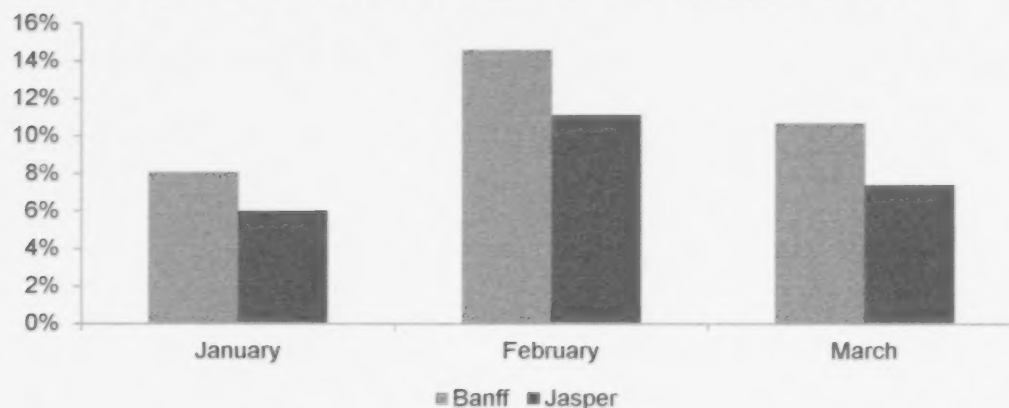


Figure 2: National Park Visitations Per Cent Change from 2014



2015 Alberta Tourism Market Monitor
Alberta Culture and Tourism

	Jan.	Feb.	Mar.	Apr.	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Yr-to-Date
Air Passengers 2015 (000's of arrivals and departures) ¹													
Edmonton International Total	582.1p	561.6p	613.8p	592.7p	565.5p								2,915.6p
Per cent change from 2014	-0.3%	-1.0%	-1.8%	-4.4%	-5.4%								-2.6%
Domestic	398.2p	380.9p	421.4p	413.4p	438.7p								2,052.6p
Per cent change from 2014	-2.7%	-2.9%	-1.3%	-5.9%	-4.6%								-3.5%
Transborder	118.2p	119.7p	129.1p	119.3p	95.1p								581.5p
Per cent change from 2014	-0.3%	-3.0%	-7.8%	-9.0%	-12.9%								-6.4%
International	65.7p	61.0p	63.2p	60.1p	31.6p								281.6p
Per cent change from 2014	16.8%	17.9%	9.8%	21.8%	10.5%								15.6%
Calgary International Total	1,199.0p	1,149.3r	1,267.0r	1,225.7									4,841.5p
Per cent change from 2014	2.3%	-0.4%	1.5%	-2.3%									0.2%
Domestic	800.6p	765.0p	839.7r	844.4									3,250.2p
Per cent change from 2014	1.1%	-0.9%	2.3%	-2.9%									-0.1%
Transborder	254.6p	253.4p	280.9p	252.1									1,041.1p
Per cent change from 2014	1.8%	-3.0%	-3.7%	-6.3%									-2.9%
International	143.8p	130.8p	146.5p	129.2									550.2p
Per cent change from 2014	9.9%	8.0%	8.0%	10.6%									9.1%
Highway Count 2014 (000's of vehicles) ²													
Hwy 1 - Sask border w-bound	57.7p												57.7p
Per cent change from 2013	3.2%												3.2%
Hwy 1 - Banff Pk Gate (2-way)	501.8p												501.8p
Per cent change from 2013	6.1%												6.1%
Hwy 16 - Jasper Pk Gate (2 way)	96.3p												96.3p
Per cent change from 2013	4.9%												4.9%
Hwy 16 - Blackfoot w-bound	164.1p												164.1p
Per cent change from 2013	-3.2%												-3.2%
National Park Attendance (000's of person visits) 2015 ³ Does not include Group Tours													
Banff	184.9p	188.6p	203.8p										577.3p
Per cent change from 2014	8.1%	14.6%	10.7%										11.1%
Jasper	52.8p	53.6p	64.1p										170.5p
Per cent change from 2014	6.0%	11.1%	7.4%										8.1%
Waterton Lakes	6.7p	7.5p	9.3p	14.8p	39.2p								77.5p
Per cent change from 2014	3.5%	19.1%	47.6%	34.5%	26.9%								27.0%
Employment (000's of persons) 2015 Seasonally Adjusted ⁴													
Accommodation and Food Services	156.9p	157.6p	155.9p	152.8p	157.1p								156.1p
Per cent change from 2014	4.4%	1.5%	3.7%	0.9%	5.3%								4.8%

Sources: Edmonton International Airport, Calgary International Airport, Alberta Transportation, Parks Canada, Statistics Canada.

	Jan.	Feb.	Mar.	Apr.	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Yr-to-Date
Accommodation Indices 2015⁶													
Edmonton Occupancy Rate	54.4%	65.3%	67.1%	67.7%									63.6%
Point change from 2014	-3.9	-2.8	-7.1	-7.6									-5.4
Average Daily Room Rate	\$131.29	\$134.52	\$135.93	\$134.91									\$134.29
Variance from 2014	1.4%	1.0%	0.5%	0.2%									0.7%
Revenue per available room	\$71.42	\$87.81	\$91.22	\$91.40									\$85.37
Calgary Occupancy Rate	55.0%	61.8%	63.5%	64.1%									61.1%
Point change from 2014	-3.0	-1.6	-4.1	-7.5									-4.1
Average Daily Room Rate	\$156.48	\$156.30	\$156.76	\$159.31									\$157.27
Variance from 2014	-0.4%	-3.3%	-2.0%	-2.8%									-2.2%
Revenue per available room	\$86.08	\$96.56	\$99.56	\$102.11									\$96.11
Alberta Resorts Occupancy Rate	40.8%	53.3%	48.8%	48.9%									47.8%
Point change from 2014	2.8	7.8	3.7	2.7									4.1
Average Daily Room Rate	\$183.23	\$177.86	\$176.03	\$170.91									\$176.78
Variance from 2014	10.5%	1.3%	5.4%	4.8%									5.3%
Revenue per available room	\$74.83	\$94.88	\$85.94	\$83.51									\$84.47
Other Alberta* Occupancy Rate	52.5%	55.0%	53.3%	48.3%									52.4%
Point change from 2014	-7.5	-11.5	-14.6	-11.4									-11.1
Average Daily Room Rate	\$133.36	\$132.26	\$131.29	\$128.86									\$131.74
Variance from 2014	2.7%	1.1%	0.3%	-0.7%									1.1%
Revenue per available room	\$69.96	\$72.74	\$70.01	\$62.20									\$69.04
Total Alberta (excl. Resorts) Occupancy Rate	53.8%	60.0%	60.2%	58.6%									58.2%
Point change from 2014	-5.2	-6	-9.3	-9.0									-7.3
Average Daily Room Rate	\$139.70	\$140.35	\$140.75	\$141.06									\$140.56
Variance from 2014	1.4%	0.0%	0.1%	-0.9%									0.1%
Revenue per available room	\$75.12	\$84.22	\$84.76	\$82.69									\$81.78
Food Services and Drinking Places 2015 (\$ Millions) unadjusted⁶													
Total Receipts for Alberta	691.6p	660.5r	726.3p										692.8p
Per cent change from 2014	6.4%	4.8%	1.1%										4.0%
Historic Sites and Museums 2015 (000's of person visits)⁷													
Visitor Attendance	24.3p	42.4r	48.6p	48.5p	80.2p								244.0p
Per cent change from 2014	3.4%	6.5%	26.2%	2.1%	3.5%								7.5%
Exchange Rates 2015⁸													
Canadian Dollar/U.S. Dollar (noon)	0.81	0.80	0.79	0.81	0.82								0.81
Canadian Dollar/ Euro	0.71	0.71	0.73	0.75	0.74								0.73
Canadian Dollar/ Great British Pounds	0.53	0.52	0.53	0.54	0.53								0.53
Oil Price: Western Texas Intermediate (WTI) 2015⁹													
Cushing, OK Spot Price (US Dollar per Barrel)	47.22	50.58	47.82	54.45	59.27								51.87
Sources: PKF Consulting Inc, Statistics Canada, Alberta Culture, Bank of Canada, WTI													

*Other Alberta includes Lethbridge, Red Deer, and other Alberta communities

Note : New monthly figures are shown in bold type. Revisions will be bolded.
r=revised p=preliminary

Definitions of Indicators

1. Air Passengers - Numbers are preliminary estimates of air passenger arrivals and departures at the Edmonton International and Calgary International Airports.

Source: Edmonton International Airport and Calgary International Airport Websites.

2. Highway Traffic: These data are monthly totals. The monthly average daily traffic (average number of vehicles per day) is calculated by dividing the monthly total by the number of days in the month passing the counter locations and in the direction indicated for a particular month. Automatic Traffic Recorders counts all vehicles by direction. Year-to-date is a cumulative total for all vehicles.

Source: Alberta Transportation's Automatic Traffic Recorders (ATR).

3. National Park Attendance - Attendance is reported as the number of visits to National Parks in Alberta. Data are preliminary unless otherwise noted.

Banff National Park and Jasper National Park reflect independent travellers only, and do not include people travelling as part of a tour group. The tour group data, however, are included in the annual edition of the Monthly Market Monitor.

Source: Parks Canada.

4. Employment Food and Accommodation Sector - The employment figure represents all persons who worked for pay or profit or unpaid work in the food services and accommodation sector, including businesses or other ventures owned or operated by a related family member(s) during the reference period of the survey. The year-to-date total is an average for the year.

Source: Statistics Canada, Labour Force Survey.

5. Accommodation Indices - Occupancy rates and average daily room rates are based on monthly averages of all reporting hotels, motels and motor hotels in each designated region. Alberta Resorts includes the resort communities of Banff, Lake Louise, Kananaskis, Canmore and Jasper.

Other Alberta includes Lethbridge, Red Deer, and other Alberta communities.

Revenue per available room is calculated using the occupancy rate and average daily room rate.

Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

6. Food Services and Drinking Places - The monthly survey of Food Services and Drinking Places provides estimates of the value of sales and the number of locations of restaurants, caterers, and drinking places by province and by industry at the North American Industry Classification System (NAICS) four-digit level. Includes total receipts from restaurants, caterers and taverns for chain and independent establishments. The target population is the 3 digit NAICS level of 722, which includes: Full-service restaurants, limited service eating places, special food places and drinking places. The year-to-date total is an average for the year.

Source: Statistics Canada, Food Services and Drinking Places.

7. Historic Sites and Museums - Visitor attendance figures are monthly totals based on fifteen historic sites, the Royal Alberta Museum, the Royal Tyrrell Museum of Paleontology, and the Tyrrell Field Station.

Source: Alberta Culture

8. Exchange Rate- this is the average monthly exchange rate.

Source: Bank of Canada.

9. Western Texas Intermediate - This is the average monthly oil price.

Source: Cushing, OK WTI Spot Price FOB.

25-June-2015